

ORNAPAPER BERHAD

(Company No.: 573695 W)

(Incorporated in Malaysia)

CONDENSED INCOME STATEMENT FOR THE QUARTER ENDED

31 MARCH 2003

	2003 Current Quarter Ended 31-Mar (RM'000)	2002 Comparative Quarter Ended 31-Mar (RM'000)	2003 12 Months Cumulative To Date (RM'000)	2002 Cumulative To Date (RM'000)
Revenue	27,050		27,050	-
Cost of Sales	(20,411)		(20,411)	
Gross Profit	6,639		6,639	
Other Operating Income	15		15	-
Operating Expenses	(3,316)		(3,316)	-
Profit from Operations	3,338	-	3,338	-
Interest Income	71		71	-
Finance Cost	(452)		(452)	-
Profit before Taxation	2,957	-	2,957	-
Taxation	(250)		(250)	-
Profit after Taxation	2,707	-	2,707	-
Minority Interest			-	-
Net Profit for the period	2,707	-	2,707	-
Earnings per Share (Based on 60,557,778 shares)				
- Basic (Sen)	4.47		4.47	
- Diluted (Sen)	4.47		4.47	

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

ORNAPAPER BERHAD

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CONDENSED BALANCE SHEET AS AT 31 MARCH 2003

	Quarter As At 31-Mar-03 RM'000	Year End As At 31-Dec-02 RM'000
<u>NON-CURRENT ASSETS</u>		
Property, Plant and Equipment	66,609	66,513
Other Investment	269	269
	<u>66,878</u>	<u>66,782</u>
<u>CURRENT ASSETS</u>		
Inventories	13,204	12,863
Trade Receivables	36,902	33,472
Other Receivables	1,174	1,218
Cash and Bank Balances	2,906	4,764
	<u>54,186</u>	<u>52,317</u>
<u>CURRENT LIABILITIES</u>		
Short Term Borrowings	32,298	38,490
Trade Payables	5,529	5,294
Other Payables	1,245	3,050
	<u>39,072</u>	<u>46,834</u>
NET CURRENT ASSETS	15,114	5,483
	<u>81,992</u>	<u>72,265</u>
<u>FINANCED BY:</u>		
Share Capital (Explanatory Note No. 6)	62,000	54,000
Reserves	8,804	2,218
Shareholders' Equity	<u>70,804</u>	<u>56,218</u>
Long Term Borrowings	88	4,947
Deferred Taxation	5,340	5,340
Reserve on Consolidation	5,760	5,760
Non - Current Liabilities	<u>11,188</u>	<u>16,047</u>
	<u>81,992</u>	<u>72,265</u>
Net Tangible Assets Per Share (RM)	1.14	1.04

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

ORNAPAPER BERHAD

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CONDENSED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2003

	Quarter As At 31-Mar-03 <i>RM'000</i>	Year End As At 31-Dec-02 <i>RM'000</i>
Net Cash Flow From Operating Activities	(1,642)	(1,675)
Net Cash Flows From Investing Activities	10,836	885
Net Cash Flows From Financing Activities	(8,852)	1,666
NET INCREASE IN CASH AND CASH EQUIVALENTS	<hr/> 342	876
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	876	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<hr/> 1,218 <hr/>	<hr/> 876 <hr/>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

ORNAPAPER BERHAD

(Company No.: 573695 W)

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2003

3 Month Quarter Ended 31-Mar-03	Share Capital	Non Distributable Share Premium	Distributable Retained Profit	Total
As at 01 January 2003	54,000	1,309	909	56,218
Issue of Share Capital	8,000	4,800	-	12,800
Acquisition of Subsidiaries	-	-	-	-
Rights Issue	-	-	-	-
Shares Issuance Expenses	-	(921)	-	(921)
Net Profit For The Quarter	-	-	2,707	2,707
As At 31/03/2003	62,000	5,188	3,616	70,804

For The Period Ended 31-Dec-02

Date of Incorporation	*	-	-	*
Issue of Share Capital	500	-	-	500
Acquisition of Subsidiaries	52,649	2,632	-	55,281
Rights Issue	851	-	-	851
Shares Issuance Expenses	-	(1,323)	-	(1,323)
Net Profit For The Period	-	-	909	909
As At 31/12/2002	54,000	1,309	909	56,218

* Represent 2 Shares

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002.

ORNAPAPER BERHAD (573695-W)
UNAUDITED RESULTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2003

EXPLANATORY NOTES

1. Accounting Policies and Methods of Computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MASB 26: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2002. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2002.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2002, except for the adoption of MASB 25. The changes and effects of adopting MASB 25 which resulted in prior year adjustments are as follows:

Prior Year Adjustments

The changes in accounting policies have been applied retrospectively and comparatives have been restated. The effects of changes in accounting policies are as follows:

	2003	2002
	RM'000	RM'000
Effects on Reserve on Consolidation		
At 1 January, as previously stated	10,323	10,323
Effects on adopting MASB 25	(4,563)	(4,563)
	<u>5,760</u>	<u>5,760</u>
Effects on Deferred Taxation		
At 1 January, as previously stated	777	777
Effects on adopting MASB 25	4,563	4,563
	<u>5,340</u>	<u>5,340</u>

2 Declaration of audit qualification

The audit report of the Company for the preceding annual financial statements was not subject to any audit qualification.

3 Seasonal or Cyclical Factors of Operations

The sales for the period under review were not affected by seasonal or cyclical factors.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows.

There are no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

5 Changes in Estimates

There is no change in the estimates of amounts reported in current interim period of the current financial period.

6 Issuance, cancellation, repurchase, resale and repayment of debts and equity securities

There were no issuances, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial period under review except for the following :-

The changes in the issued and paid up share capital of Ornapaper during the period are as follows:

ORNAPAPER BERHAD (573695-W)
 UNAUDITED RESULTS
 FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2003

EXPLANATORY NOTES

Date	No. of Ordinary Shares	Par Value	Consideration	Total Issued and Paid-up Share Capital
		RM		
1-Jan-03			1 Opening Balance	54,000,000
17-Jan-03	8,000,000		1 Public Issue @ RM1.60 per share	62,000,000

7 Dividends paid

No dividends was paid or declared during the current quarter of the financial period.

8 Segmental reporting

There was no segmental analysis for the period under review as the Company operates principally within one industry and within the country.

9 Valuation of property, plant and equipment

There were no valuation for property, plant and equipment of the Group.

10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period reported that have not been reflected in the financial statements.

ORNAPAPER BERHAD (573695-W)
 UNAUDITED RESULTS
 FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2003

EXPLANATORY NOTES

11 Changes in the composition of the Company

There were no changes in the composition of the Company for the interim period under review.

12 Changes in the contingent liabilities or contingent assets

There was no material changes in contingent liabilities or contingent assets for the current financial period.

13 Related Company Transactions

There is no material related party transactions during the financial quarter reported.

14 Review of Performance

The group continues to operate under an excess capacity environment with intense price competition and increase paper roll cost.

However, the board expects the current trend to stabilise by the coming quarter.

15 Comparison with immediate preceding quarter.

No comparison was made as this is the first set of first quarterly report of the Group.

16 Current Year Prospects

The board expects business to be continued under pressure from the economical situation.

However, the group is expanding into other board products such as board furniture to explore new business opportunities.

17 Variance from Forecast Profit and Profit Guarantee

Not Applicable

18 Taxation

	Current Quarter RM'000	Year to date RM'000
Income Tax		
- Current Quarter	(250)	(250)
- Under/(Over) provision in prior year	-	-
Deferred Taxation	-	-
	(250)	(250)

Effective Tax Rate

Corporate Rate	28%	28%
Effective Tax Rate As Per PL	8%	8%
Variance	20%	20%

The effective tax rate for the quarter is lower than the statutory tax rate applicable to the Company's profits mainly due to the utilisation of brought forward Reinvestment Allowances

19 Profit on sale of unquoted investments and properties

There were no disposal of investments/properties during the financial period under review.

ORNAPAPER BERHAD (573695-W)
UNAUDITED RESULTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2003

EXPLANATORY NOTES

20 Purchase or disposal of Quoted Securities

There were no purchases and disposals of quoted securities during the financial period under review.

21 Status of Corporate Proposals

On 17/01/2003 the Company increased its paid up shares capital by 8,000,000 ordinary shares of RM1.00 by way of public issue of RM1.60 per share.

The entire share capital of 62,000,000 ordinary shares of RM1.00 each was listed on the Main Board of the Kuala Lumpur Stock Exchange on 29 January 2003.

There are no other corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report.

22 Company borrowings and Debt Securities

The Company does not have or issue any debt securities or long-term borrowings during the quarter period. The borrowings of the Company for the current financial quarter are as follows:-

	RM'000
<u>Current</u>	
Bank Overdrafts - secured	1,688
Trade Bills - secured	30,304
Hire Purchase Payables - secured	306
	<hr/>
	32,298
<u>Non Current</u>	
Hire Purchase Payables - secured	88
	<hr/>
	<u>32,386</u>

The borrowings are denominated in Ringgit Malaysia.

23 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

24 Changes in Material Litigation

There was no material litigation as at the date of this report.

25 Dividends

No dividend has been recommended during the current quarter under review.

ORNAPAPER BERHAD (573695-W)
 UNAUDITED RESULTS
 FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2003

EXPLANATORY NOTES

26 Earnings per share

The computation of earnings per share is as follows :-

	Current Quarter 31.03.03	Financial year to date 31.03.03
Issued ordinary sharers at beginning of period	54,000,000	54,000,000
<u>Effect of ordinary shares issued during the period</u>		
Public Issue	8,000,000	8,000,000
Issued ordinary sharers at end of period	<u>62,000,000</u>	<u>62,000,000</u>
Weighted average number of ordinary shares	60,577,778	60,577,778
Basic earnings per share (sen)	4.47	4.47
Diluted earnings per share (sen)	4.47	4.47

By Order of the Board
Ornapaper Berhad

Chua Siew Chuan
Company Secretary

Damansara Heights, Kuala Lumpur
 28/05/2003